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TAGS: [PREL](#) [PGOV](#) [ETRD](#) [EUNGRSISAFPKSYLES](#) [IR](#)
SUBJECT: APPROACHING THE EU IN ADVANCE OF THE
NOVEMBER 3 GYMNICH AND THE NOVEMBER 10-11 FOREIGN MINISTERS
MEETING (GAERC)

¶1. (U) Classified by Bill Lucas, Director, EUR/ERA.
Reasons: 1.4(b) and (d).

¶2. (U) This is an action request. See paragraph 18.

¶3. (SBU) Summary: EU Foreign Ministers will hold two meetings in early November: an informal gathering (Gymnich) in Marseille on November 3 and a formal General Affairs and External Relations Council (GAERC) meeting in Brussels November 10-11. Although the agendas for both meetings may change somewhat, as of now we expect discussion topics to include: the future of transatlantic relations (Gymnich), Israeli-Palestinian peace process (Gymnich and GAERC), Afghanistan/Pakistan (Gymnich), Syria/Lebanon (Gymnich), Iran (Gymnich), Russia/Georgia (Gymnich and GAERC), the Doha Round (GAERC), and the planned EU anti-piracy mission off the Horn of Africa (GAERC). A background section covering some of these issues is provided prior to a section containing talking points.

¶4. (SBU) Talking Points only are to be delivered as soon as possible at the appropriate level to EU members only. Other posts should not/not deliver these points. Posts are requested to place particular emphasis on our points on Russia/Georgia (don't resume PCA negotiations until Russia meets its commitments under the Georgia ceasefire agreement), Iran (need more sanctions pressure), and Syria/Lebanon (engage with Syria only as reward for real policy changes). The Russia points are relevant not only for the Gymnich and GAERC meetings, but also of course for any discussion of the EU-Russia summit scheduled for November 14. Posts are requested to include the SIPDIS caption on their response cables and to reference this cable. End Summary.

BACKGROUND

IRAN

¶5. (SBU) We are pleased that the EU finally reached agreement on a Common Position to complete implementation of UNSCR 1803 in early August. Thereafter, EU experts struggled for weeks to reach consensus on the Council Regulation giving effect to the Common Position. They argued chiefly over the listing of names of individuals and entities in the annexes and the handling of breaches of contracts resulting from the new regulations. Negotiations were difficult due to EU

countries' economic concerns, given the regulation's direct impact on EU members' vessels, cargo, export and financial interests. EU Council working groups have now finalized the draft annexes to the Common Position that are required to put it into practice, and we expect the text to be approved by ministers without further discussion in early November. Finally finishing work on 1803 should make it easier to get the EU to focus on new steps.

¶6. (S/NF) Unfortunately, there are currently no EU proposals on the table for new autonomous sanctions going beyond existing UNSCRs. Given how acrimonious and grueling the negotiations were over the text simply to complete implementation of 1803, there is little appetite for further autonomous EU measures at present. EU Member States seem to be leaning toward giving the 1803 legislation time to be adopted and "digested" before going further. Despite these difficulties, we need the EU to remain fully engaged in all aspects of the dual-track strategy towards Iran. The French MFA is concerned that the P5+1 may "lose a year" waiting for the new U.S. administration to learn the ropes, during which time Iran would continue enriching uranium. The French are thus interested in discussing the issue with the new U.S. administration as early as possible, not least so that the Europeans can get a sense of where

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Washington would like to go with regard to sanctions and engagement. In the interim, the French intend to continue to push their EU partners to go further on sanctions, particularly on additional designations, and we understand that the U.K. is on board with this effort.

¶7. (SBU) High Representative Solana has remained in contact with the Iranians, but Tehran has still failed to provide a clear, positive response to the latest P5+1 offer. As a result, the UN Security Council unanimously adopted UNSCR 1835 on September 27, demonstrating continued international resolve and unity in our commitment to the dual track strategy.

¶8. (C) Our emphasis continues to be on multilateral diplomacy through the P5+1, but we will also seek to increase pressure on Iran by working with the EU, and bilaterally with likeminded countries. We thus continue to urge the EU to adopt a series of additional autonomous measures that go beyond existing EU policy. Options include additional designations under existing EU policy, further tightening of inspection provisions, and tightening of export credits. A strong set of new EU sanctions would not only send a clear signal of EU resolve, but also weaken other countries' excuses for not acting against Iran. At the national level, we are already coordinating with individual EU Member States (France, UK, Germany and Italy) and other like-minded countries to explore other means to increase pressure on Iran, including measures to be taken in the areas of finance, energy and insurance. Other countries do follow Europe's lead on Iran; on October 15 Australia imposed new financial and travel sanctions on 20 individuals and 18 organizations "including Bank Melli and Bank Saderat" and ended government-financed export credits in an effort to "match and deliberately go beyond" the EU Common Position on UNSCR 1803.

SYRIAN ENGAGEMENT

¶9. (C) The French have been forward leaning on European engagement with Syria and assert that this openness has resulted in a number of positive Syrian actions, including the October 15 announcement of diplomatic

relations with Lebanon, the recent meetings of the joint Syrian-Lebanese committees on delineating the border and returning prisoners, and Bashar al-Asad's commitment to President Sarkozy to continue negotiations with Israel. Although these initiatives would be positive steps if fully implemented, we have seen little, if any concrete action to fulfill them.

¶10. (C) The U.S. has used recent meetings with Syrian Foreign Minister Muallem to reiterate our key issues of concern. These include Syria's continued defiance of United Nations Security Council resolutions, support to terrorist groups and their leaders, non-cooperation with the IAEA, efforts to procure nuclear technology and non-conventional weapons, harboring of foreign fighter facilitators, and oppression of human rights activists.

¶11. (SBU) Any future engagement between the U.S. and the Syrian government will be conditioned on meaningful Syrian efforts to change its behaviors and promote peace and stability in the region.

EU SOMALIA ANTI-PIRACY EFFORTS

¶12. (S) The European Union is in the operational planning stages for an anti-piracy ESDP mission that would start in December. We expect approval for the mission at the November GAERC. The ESDP mission lead is the United Kingdom, which plans to establish operational headquarters in Northwood, UK, with forward headquarters afloat. The UK is looking at a small coordination cell (6 or fewer existing people) in Bahrain who would be designated as the EU coordination cell. This EU cell could work through existing Coalition and U.S. officers in Bahrain who are likewise designated NATO liaison officers. The UK has suggested, and we support, a daily meeting between the two groups to preserve the NATO-EU link. This is a case where our preference to engage the

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EU on military issues through NATO has been maintained, as both NATO and the EU will be present in both Northwood and Bahrain, and it can serve as a model for future NATO-EU cooperation and coordination.

¶13. (SBU) Separately, we understand that the European Commission is working to launch a Critical Maritime Routes Initiative intended to help improve security along key shipping corridors, including the HOA and the Malacca Straits. The initiative will provide aid to third countries to enhance vessel tracking and information sharing between ports. We welcome this initiative as a useful complement to the ESDP anti-piracy mission and hope to be able to obtain additional information on the initiative as it moves forward.

TRANSATLANTIC RELATIONS

¶14. (SBU) "Transatlantic relations" will be on the agenda for the November 3 EU Foreign Ministers' Gymnich meeting in Marseille. This is the second extended Gymnich review (following the September 5-6 Gymnich discussion in Avignon) of a French paper likely to be shared with this and the next U.S. Administration. The paper is intended to be a political assessment of U.S.-EU relations in view of the upcoming U.S. presidential elections, and an inventory of subjects on which the U.S. and EU will need a shared vision. While we have not seen a revised version, the original draft covered Middle East issues, Iran, Afghanistan/Pakistan, Russia, the multilateral system, climate change, human rights, and non-proliferation.

¶15. (SBU) Papers circulated by EU Member States in

preparation for the discussion on transatlantic relations have also focused on issue areas and revised structures for our consultations. We understand that the ideas proposed have included inviting the Secretary of State to the occasional Gymnich meeting, returning to two U.S.-EU summits per year (with one being Gymnich style), and addressing such subjects as financial market stability, food security, and development policy coordination. As part of the broader ferment on transatlantic relations outside the EU's Gymnich discussions, former French PM Balladur and others even suggest regular meetings of virtually all U.S. cabinet secretaries with their EU troika counterparts.

DOHA ROUND

¶16. (SBU) The central trade priority of the United States remain achieving a successful conclusion to the Doha Round negotiations - one that opens markets and creates new trade in agriculture, industrial goods, and services, particularly from the advance developing countries (Brazil, China and India). Although a breakthrough was not achieved during the meetings in Geneva in July, WTO Members made tremendous progress in moving the Doha negotiations forward on multiple fronts. The impasse resulted from some specific issues - most notably with regard to the agriculture "Special Safeguard Mechanism" (SSM). But it is important to underscore that key open issues in agriculture, NAMA and in services are indicators as to what remains the linchpin to Doha success: securing meaningful market access from key emerging markets.

¶17. (SBU) The U.S. government continues to work with WTO Members to advance the negotiations and achieve an ambitious outcome that results in new trade flows. Senior officials meetings have resumed in Geneva on agriculture and industrial goods. We believe a modalities deal in agriculture and NAMA is still doable by the end of the year if all parties want that goal in good faith. Achieving a modalities package on agriculture and industrial goods will also set the stage shortly thereafter for new revised offers in the services negotiations.

¶18. (SBU) ACTION REQUEST: Please deliver the following points to the appropriate MFA official(s) as soon as possible (in advance of the November 3 Gymnich and the November 10 GAERC).

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RUSSIA/GEORGIA

-- We welcome EU Special Envoy Pierre Morel's skillful launching of the Geneva talks on October 15, and applaud his ability to bring the parties together.

-- We also welcome the consensus within the plenary session in Geneva -- albeit with the absence of one delegation -- to support Georgia's sovereignty and territorial integrity.

-- We regret that the separatists walked away from the table and that neither they nor the Russians were willing to accept any of the procedural compromises that Ambassador Morel proposed and that the Georgian delegation was willing to accept in order for the discussions to continue.

-- As we clearly stated in Geneva on October 15, Russia still has not fulfilled its commitments with respect to the August 12 ceasefire or the subsequent September 8 agreement negotiated by French President Sarkozy, which both clearly state that Russia must withdraw its forces to their positions prior to the outbreak of hostilities.

-- Russian forces remain in the Kodori Valley in Abkhazia and in the Akhagori region in South Ossetia, both of which were controlled by Georgia prior to the conflict. Russia also has far more troops in the separatist regions than it did prior to the start of the conflict.

-- Civilian populations in these and other regions of Abkhazia and South Ossetia remain vulnerable to marauding militias and irregulars, and reports of harassment and intimidation continue to come in. Russia has been unwilling or unable to provide for the security of these regions and has blocked international humanitarian aid, most recently by temporarily denying access to the World Food Program at Perevi, just outside of the South Ossetian administrative boundary.

-- In our dealings with Russia, we must speak with one voice and condemn its failure to abide by these commitments, which run directly counter to the August 12 and September 8 agreements that Russia signed.

-- We fully support Ambassador Haber's call for access inside Abkhazia and South Ossetia for the EU Monitoring Mission, just as we support OSCE Special Envoy Talvitie's call for access inside South Ossetia for OSCE monitors, members of ODIHR, and the OSCE High Commissioner for National Minorities.

-- International access to the separatist regions would help protect the vulnerable populations living there and would help restore security so that internally displaced persons (IDPs) can return to their former places of residence. As winter approaches, the task of securing the return of IDPs is becoming increasingly urgent.

-- Given reports of human rights violations and violence in the conflict zones, the need for an international presence inside these regions remains critical.

--We encourage the European Union to continue to postpone negotiations with Russia on a new EU-Russia partnership agreement (PCA) until Russia has met all its commitments under the ceasefire agreement, including allowing access for humanitarian assistance and international monitors in the breakaway regions and withdrawal of forces to positions held prior to the outbreak of hostilities, which entails a complete withdrawal from such areas as the Upper Kodori valley and Akhagori.

--We would also encourage the European Union to refrain from further discussion on President Medvedev's proposal for a new European Security Treaty. President Medvedev's endorsement in Evian of five principles of

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IRAN

--Our emphasis continues to be on multilateral diplomacy through the P5+1, but we will also seek to increase pressure on Iran by working with the EU and like-minded countries to adopt autonomous national measures.

--We appreciate the EU's August adoption of a new Common Position to implement fully UNSCR 1803 and understand the process of putting the new Common Position into practice will be completed very soon.

--Iran is counting on a period of international inaction. We would also like to see the EU continue pressuring Iran by adopting a series of truly new autonomous measures that go beyond existing UNSCRs and existing EU policy. A strong set of new EU autonomous sanctions would not only send a clear signal of EU resolve, but also weaken other countries' excuses for not acting against Iran.

--The EU's measures, such as the designation of Bank Melli, do have an impact on Iran's decision-making. We also know that many Arab and Asian countries look to the EU for leadership on Iran and are likely to follow its lead on any additional steps taken regarding Iran. We note that on October 15 Australia imposed new financial and travel sanctions on 20 individuals and 18 organizations ? including Bank Melli and Bank Saderat ? and ended government-financed export credits.

--Beyond sanctions, we urge EU member states to approach their domestic insurance firms that supply maritime and aviation insurance, or reinsurance, to end all business with Iranian entities or individuals.

--We would welcome EU reinforcement of the message to countries of key importance in the shipping arena to robustly implement the inspection provision in UNSCR 1803 on Islamic Republic of Iran Shipping Lines (IRISL), including China, South Korea, and the UAE. We are interested in hearing about any effects that have come about as a result of the adoption of the EU Common Position on 1803, which specifically placed additional reporting requirements on IRISL and Iran Air Cargo.

--We urge the EU to implement and build upon measures imposed in existing UNSCRs to increase the pressure on Iran. Iran has already adapted its evasion tactics to circumvent existing designations and has moved to using its other state-owned banks to conduct proliferation-related transactions and expanding its intra-banking network. Iran's illicit finance is a systemic problem that demands action beyond simply targeting specific banks. As the Financial Action Task Force noted this month, Iran's weak anti-money laundering and counterterrorism finance mechanisms also highlight that countries should take action to strengthen preventive measures to reduce the risk to their financial systems.

--Time is of the essence. Sanctions are working but need more time; meanwhile, Iran is advancing in its uranium enrichment and other sensitive nuclear activities in a bid to present the international community with a fait accompli that we cannot accept.

--In addition to its proliferation activities, Iran continues to be an egregious sponsor of terrorist activity, both through training and direct financial support. Iran's support to terrorists, particularly in Lebanon, Afghanistan and Iraq, is a threat to these fragile democracies and a direct violation of UNSCR [1747](#).

SYRIAN ENGAGEMENT

--Syria must be held accountable on all of its public pledges. These include delineating the Syria-Lebanon

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--The October 15 announcement that Syria and Lebanon would establish diplomatic relations was a positive

step; however, we await the concrete actions needed to implement this agreement. Syria's long track record of destabilizing involvement in Lebanese affairs should not be forgotten because of one diplomatic gesture.

--Robust engagement with Syria could work to undermine our allies in Lebanon, who remain concerned about Syrian intentions and any signs of wavering international support for a sovereign, independent Lebanon. These concerns are especially significant in the context of Lebanon's spring 2009 elections, which will serve as a watershed for the country's fledgling democratic institutions.

--The international community must remain united in pressing for Syrian action on clearly identified benchmarks, including compliance with UN Security Council resolutions, preventing Palestinian rejectionist groups from undermining the Palestinian Authority, ending support for terrorist groups, interdicting foreign fighters entering Iraq, ceasing to allow illicit weapons shipments from being transported across its borders, complying with IAEA investigations into the clandestine procurement of nuclear technology, and ending the harassment and detention of political dissidents and human rights supporters.

--The Syrian regime must not be rewarded for low-cost actions that do not represent a significant change in Syria policies and actions. Our view is that engagement, including any progress on the EU-Syria Association Agreement, is an appropriate reward only when real change occurs and Syria demonstrates its willingness to play a constructive role in the region.

ISRAELI-PALESTINIAN PEACE

--Annapolis launched the first substantive negotiations in nearly a decade.

--The absence of public agreements or a flurry of press releases should not be mistaken for a lack of progress.

--The Israeli-Palestinian conflict would not have endured for 60 years if the obstacles to peace were few and the solutions easily reached.

--The framework for negotiating a final resolution of the conflict is before us: Determined, professional negotiations between the parties; consistent yet constructive international engagement; and a vigorous effort to improve conditions on the ground.

--This formula has resulted in several key advances:

--Israel and the Palestinians now express common aspirations.

--They underscore their commitment to reaching a comprehensive agreement on all issues, without exception, as agreed at Annapolis.

--They pledge to continue their bilateral, confidential, and continuous negotiations until this goal is achieved.

--They both attest that the negotiating structure is effective and productive and that they intend to keep it in place.

--President Bush's vision of a Palestinian state at peace with Israel will not come in a single dramatic moment, but rather as the result of a methodical, sincere commitment by the parties to conclude a lasting agreement that benefits both their people.

--Ongoing, high-level U.S. engagement on this issue is

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sustained not by false hope or an unrealistic assessment
of the challenges but by our belief in the sincerity of
the parties' commitment to the negotiations, by the
recognition of the progress they have made, and by the
genuine possibility of a breakthrough if the current
negotiating structure remains intact.

--The seriousness of the process is illustrated by the
sensitivity of the issues under negotiation. The
international community must ensure that its actions are
supportive of the negotiations rather than
interventionist. The United States has steadfastly
respected the parties' request to maintain the bilateral
and confidential nature of the dialogue and urges other
international actors to do the same.

--The Quartet has played a vital role in coordinating
international support and limiting unhelpful or
unfocused activism. It is imperative that the
international community continue to adhere to this
formula, which has proven to be effective. The Quartet
has also worked to promote sustainable political
arrangements in the West Bank and Gaza, which will only
be based on the Quartet principles: renunciation of
violence, recognition of Israel, and acceptance of past
agreements between the parties.

EU SOMALIA ANTI-PIRACY EFFORTS

--We welcome the ongoing planning by the European Union
to deploy an anti-piracy operation intended to escort
World Food Program vessels and merchant shipping off the
Horn of Africa.

--We are pleased to be close to establishing pragmatic
NATO-EU cooperation in both Northwood and Bahrain
through which the U.S. may engage with the ESDP mission.
We believe this operation may provide the two
organizations with a model for future coordination.

--We also welcome the European Commission's plans to
launch a Critical Maritime Routes Initiative intended to
help improve security along key shipping corridors,
including the HOA and the Malacca Straits. We look
forward to learning more about this initiative as it
moves forward.

--We would like to work closely on a longer term plan to
strengthen regional judicial and maritime capacity and
are interested in EU planning in this regard.

AFGHANISTAN/PAKISTAN

--The United States remains concerned about the security
situation along Pakistan's western frontier,
particularly in and around the Federally Administered
Tribal Areas (FATA) that allows extremists to
orchestrate operations across the border in Afghanistan
and beyond.

--Signs of bilateral improvement between Pakistan and
Afghanistan create a fresh opportunity for better
cooperation between the two countries. The United
States remains committed over the long-term to helping
Pakistan alleviate problems along its border with
Afghanistan. Without a collective international effort,
however, it will be difficult to contain the existing
threat emanating from the Tribal Belt.

--We believe the international community, including the
European Union, can and should do more to support and
fund Pakistani efforts to stabilize the border area.

--We urge EU support for our proposal for Pakistan to appoint a high-level government official to oversee a World Bank-administered Frontier Trust Fund (modeled on the Afghan Reconstruction Fund) so that donors can write checks for frontier development. Many donors are eager to provide assistance for the border, and this is a mechanism to help them achieve that.

TRANSATLANTIC RELATIONS

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-- We understand transatlantic relations will be on the Gymnich agenda once again, to include an assessment of priorities in view of the upcoming U.S. elections. We expect that maintaining strong transatlantic relations will be a key priority for whichever administration succeeds the current one.

--We think that new global security and economic challenges will require faster, more coherent responses from all of us. We should make sure that transatlantic cooperation structures are up to these challenges, since a strong transatlantic partnership is the cornerstone of our security. We would appreciate your perspective on which issues will most require a joint approach.

DOHA ROUND

--We stress the U.S. commitment to achieving a successful Doha outcome. We are prepared to work right through the end of the year to reach a breakthrough.

--The linchpin to achieving a successful conclusion to the Doha Round remains securing meaningful new market access from key emerging markets in agriculture, NAMA (non-agricultural market access) and services.

--The economics are real ? Doha will set the terms of trade through the next decade and beyond. We note an April 2008 IMF economic outlook projection that 50% of global economic growth between now and 2013 would be provided by China, India, Brazil, Argentina and ASEAN.

--The United States remains willing and able to negotiate. Senior officials are currently engaging through capital to capital contacts and in Geneva.

--We are looking for senior officials to bring new creativity to addressing the many key open issues in agriculture, NAMA and in services.

--In NAMA, we need participation in sectoral tariff elimination agreements by major exporters/producers - including advanced developing countries like Brazil, China and India ? to balance July's poor formula and flexibilities result. We need the EU to step up and engage on pushing sectorals and China/India/Brazil participation. We hope to see the Commission put new energy into sectorals.

--In agriculture, US negotiators have returned to Geneva to try to move forward on SSM and the other unresolved agriculture issues (e.g. tariff simplification).

--We believe a modalities deal in agriculture and NAMA is still doable by the end of the year if all parties want that goal in good faith.

--The United States is continuing to work, as we have done on previous rounds carrying through administration changes.

END NON-PAPER TEXT

